

01173

1989/06/28

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EXCISE

SECRETARY'S MORNING SUMMARY FOR JUNE 28, 1989

1. EC: SUMMIT MOVES ON MONETARY AND FOREIGN POLICY
COMPROMISING ON AMBITIOUS EC COMMISSION PLANS FOR MOVEMENT
TOWARDS MONETARY UNION, EC LEADERS SET NEXT JULY TO BEGIN
EFFORTS TO LINK ALL EC CURRENCIES IN THE EUROPEAN MONETARY
SYSTEM [EMS] AND MANDATED PREPARATORY WORK FOR A
CONFERENCE TO DETERMINE THE SUBSEQUENT STAGES, ACCORDING
TO PRESS REPORTS. ON CHINA, THE SUMMIT BANNED ARMS SALES,
LIMITED CULTURAL AND SCIENTIFIC COOPERATION, AND SUSPENDED
HIGH-LEVEL CONTACTS. IN THEIR FIRST SUMMIT STATEMENT ON
THE MIDDLE EAST IN NINE YEARS, EC LEADERS EXPLICITLY
CALLED FOR PLO PARTICIPATION IN THE PEACE PROCESS.

COMMENT:1

B-1

IS/FPC/CDR H72 Date: 8/30/93

MR Cases Only: EO Citations

IS authority to: () S of () C OADR

CLASSIFY as: ()

DEPARTMENT OF STATE

() RELEASE () DECLASSIFY IN PART

(X) EXCISE (X) DECLASSIFY IN PART

() DENY () DELETE Non-Responsive Info

FOIA Exemptions: B1

PA Exemptions

Bi A5

THE CHINA SANCTIONS APPARENTLY WERE NOT CONTROVERSIAL AND
IN PART AT LEAST ARE A RESPONSE TO STRONG PUBLIC

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SENTIMENTS IN WESTERN EUROPE. THE ARMS BAN COULD HURT
CHINA'S EFFORTS TO MODERNIZE ITS MILITARY EQUIPMENT,
THOUGH BEIJING WILL PROBABLY TRY TO PLAY OFF OTHER
SUPPLIERS--NOTABLY ISRAEL--AGAINST THE EUROPEANS. THE
MIDDLE EAST MOVE WAS THE EC'S GESTURE TO UPDATE ITS VENICE
DECLARATION TO GET BACK IN THE PEACE-PROCESS GAME.
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